

## Article - Public Utilities

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§5–203.

(a) This section does not apply to a merger of or transfer of stock or other ownership interest between:

(1) a telephone company; and

(2) another entity with a greater than 50% ownership in common with the telephone company.

(b) Subject to § 6–101 of this article, without prior authorization of the Commission, a public service company may not purchase, acquire, take, or hold any part of the capital stock of another public service company that operates in Maryland.

(c) (1) This subsection applies to corporations that operate in Maryland.

(2) Except as provided in paragraph (5) of this subsection, without prior authorization of the Commission, a public service company may not:

(i) assume or guarantee an obligation or liability with respect to stocks, bonds, securities, notes, or other evidence of indebtedness that is payable as a whole or in part to any person more than 12 months after the date of issuance; or

(ii) issue stocks, bonds, securities, notes, or other evidence of indebtedness payable as a whole or in part more than 12 months after the date of issuance.

(3) Stocks, bonds, securities, notes, or other evidence of indebtedness described under paragraph (2)(ii) of this subsection shall be issued in accordance with §§ 6–102 and 6–103 of this article.

(4) The Commission shall take action on an application for authorization under this section within a reasonable time after receipt.

(5) Prior authorization of the Commission is not required for an assumption or guarantee under paragraph (2)(i) of this subsection or an issuance under paragraph (2)(ii) of this subsection made by a gas company, electric company, or telephone company whose gross annual revenues, for the most recent calendar year for which data are available, are less than 3% of the total gross annual revenues of

all public service companies in the State during the same calendar year, if the gas company, electric company, or telephone company:

(i) provides prior written notice to the Commission of the transaction; and

(ii) obtains approval of the transaction from the entity in another state that regulates the gas company, electric company, or telephone company.

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